

February 17, 2009

TO: Glenn Robison
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Property Owners Alliance

SUBJECT: Fourth Quarter
October 1, 2008 – December 31, 2008

As is required in our Agreement with the City of Los Angeles, I am submitting our Fourth Quarter Report to summarize key activities of the Hollywood Entertainment District. In addition, attached to this memo is the quarterly financial report.

I. Operational Issues

- The board authorized the creation of a 401(k) plan for the staff. A small employer match was created for a final year-end contribution by employees for 2008, and then a Safe Harbor plan was approved for 2009. In the 2009 plan, there will be a guaranteed employer match set aside of three percent of payroll.
- In anticipation of the new year, and the new BID, the board authorized an application for a \$250,000 line of credit with Wells Fargo Bank.
- The board also authorized staff, at their October meeting, to begin the transfer of all deposits from First Regional Bank to Wells Fargo, in preparation for the new year.
- At the October meeting of the Board, Thad Smith resigned his current seat, and was named by the board to fill the seat vacated upon the passing of long-time board member, Bill Hertz. The term of this seat ends November, 2009.
- The new city contract, between the city and the HPOA, for the period 2009 - 2018 was received and approved by the board at their November meeting.
- After hearing from a couple property owners on Hudson, it was determined that several single family homes were inadvertently included in the boundaries of the new BID. Upon seeking guidance from the city clerk's office as to how to handle this, the board approved their removal at the October meeting.
- At the November annual meeting, the following officers were elected to serve one year terms:
President – Chris Bonbright

Vice President – Thaddeus Hunter Smith
Secretary – Michael Gargano
Treasurer – Frank Stephan

- Dawn Hardwick, office manager, resigned her position to move to Texas with her husband. After a recruitment effort, an offer was extended to Brian Barth to take the Office Manager position. His first day was December 9, 2008.
- At the December meeting of the Board, the 2009 detailed budget was approved. The budget was predicated upon gross assessment revenues of \$3,381,641. The board, in order to be conservative for the coming year, wanted to budget for a delinquency rate of five percent (this year it was less than one).
- The board also reviewed and approved the change order with the CHC Board to manage the Sunset & Vine BID. This contract allows for cost sharing on administrative costs on a 74% HED/26% SVBID basis. The contract is for \$12,000 per month.
- The board approved a policy, at their December 18, 2008 meeting, to establish a cut-off date, beyond which no changes to assessments (either due to demolitions or new construction) will be forwarded to the city. That cut-off date would be March 1 of each year.

II Security

- By year's end, the following summarizes the key work product of Andrews International:
 - ✓ 1,017 private person's arrests
 - ✓ Approx. 58 % for drinking in public, 10 % for urinating in public, 11% for narcotics, 5 % for various felonies, and the remainder for trespassing, theft, vandalism, blocking the sidewalk etc.
 - ✓ 2,615 referrals to social service and homeless organizations
 - ✓ 3,919 citizen contacts
 - ✓ 1,412 radio calls for service
 - ✓ 2,382 business checks
 - ✓ 3,560 "extra patrols" (where a property is given extra attention)
- A meeting was held with Ivar stakeholders on October 9 to discuss the various issues that are creating problems on Ivar Avenue in the eyes of businesses and residents. Several problem solving strategies emerged relative to library security, valet parking stands and noise from clubs.
- At the request of the BID, the council office formed a Sidewalk Nuisance Task Force to address illegal vending along the Boulevard from Highland to Orange. The TF has representatives from LAPD, Bureau of Street Services and the Health Department.
- The board, at their December 18, 2008 meeting, approved a change order to the Andrews International contract for \$1,545,000 for the new year. This expanded amount accounts for the new BID territories, and extended hours (until midnight) on Friday and

Saturday nights.

- A second field trip to Step up on Second (facility for formerly homeless mentally ill residents in Santa Monica) was scheduled for Friday, December 19, 2008.

III Streetscape Issues

- Within the Streetscape Committee, most of the fourth quarter was devoted to overseeing the competitive bidding process for the maintenance contract. The RFP was sent out in early October, and proposals were due on October 22. Interviews with three finalists (Chrysalis, US Metro Group and Clean Street) were performed on November 12, 2008. The Selection Committee recommended entering into a three-year contract with Clean Street, subject to some additional concessions on adding back pressure washing dollars as an incentive for a multi-year contract.
- Staff worked with the city to address issues involving illegal dumpsters in an alley at the NE corner of Hollywood and Highland.

IV Marketing Issues

- HPOA Staff organized a bus tour for 14 reporters from the Los Angeles Business Journal and their editor. It was held on October 15, 2008, and the tour included stops to view the major developments in both the Sunset & Vine BID and the Hollywood Entertainment District. After the tour, the group was joined for lunch at the Hollywood Roosevelt Hotel by CHC President Dirk DeGreave and HED President Chris Bonbright. Partially as a result of the tour, within the quarter, there were several stories in the LABJ about stakeholders in the HED, including the Legacy/Gatehouse W project and the PaliHouse.
- The Board agreed at the October meeting to contribute \$5,000 to the Chamber's holiday lights program, but to take this out of 2009 funds.
- Staff has been working with organizers of Fashion Week to encourage this major event to move to Hollywood. Plans still look favorable that this may occur.

VI. OTHER

- The board authorized staff to send a letter to the City Ethics Commission to detail how a more expansive definition of "lobbying activities" would actually have the unintended result of capturing BID executives.
- Staff, and representatives from Andrews International Security, participated in the second annual Homewalk to end homelessness, sponsored by the United Way, on November 15, 2008.

